

Message Text

UNCLASSIFIED

PAGE 01 MTN GE 02083 01 OF 02 251639Z

46

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 SSO-00 INRE-00 USIE-00

AGR-10 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02

INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 STR-04 TAR-01 TRSE-00 PRS-01 SP-02

FEAE-00 OMB-01 OIC-02 AF-06 ARA-10 EA-10 NEA-09 /137 W
----- 091255

O R 251630Z MAR 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 0034

WHITE HOUSE IMMEDIATE

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AEMMBASSY LONDON 6511

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

UNCLAS SECTION 1 OF 2 MTN GENEVA 2083

E.O. 11652: N/A

TAGS: ETRD GATT

SUBJECT: MTN: OPENING SESSION AGRICULTURE GROUP MEETING MARCH 24

DEPARTMENT PASS STR AND AGRICULTURE

WHITE HOUSE FOR SEIDMAN

FOLLOWING IS TEXT OF OPENING STATEMENT BY U.S. DEL
(FRASER) AT FIRST MTN AGRICULTURE GROUP MEETING, MARCH
24, 1975:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MTN GE 02083 01 OF 02 251639Z

QUOTE

OPENING

I HAVE HEARD THERE HAVE ARISEN SOME QUESTIONS ABOUT THE COMMITMENT OF THE UNITED STATES TO THESE NEGOTIATIONS ON AGRICULTURE. LET ME PUT ANY DOUBTS ON THAT SCORE TO REST. OUR FARMERS, OUR CONGRESS, OUR EXECUTIVE ARE FULLY COMMITTED. THEY WANT RESULTS THIS TIME AROUND AND WILL NO LONGER ACCEPT THE STALEMATE THAT GREW OUT OF AND HAS CONTINUED SINCE THE KENNEDY ROUND.

THE IMPORTANCE OF THESE TRADE NEGOTIATIONS TO U.S. AGRICULTURE SHOULD BE OBVIOUS. TOTAL U.S. TRADE IN FARM PRODUCTS IN 1974-1975 WILL REACH \$33 BILLION. AGRICULTURAL EXPORTS ACCOUNT FOR ALMOST A QUARTER OF THE NATION'S TOTAL SALES ABROAD. \$1 IN EVERY \$4 THAT THE AMERICAN FARMER RECEIVES FOR THE SALE OF HIS PRODUCTS COME FROM CUSTOMERS ABROAD. IT WOULD BE RIDICULOUS TO SUPPOSE WE COULD IGNORE SUCH AN IMPORTANT PART OF OUR NATION'S COMMERCE. IN ADDITION, AGRICULTURAL TRADE MAKES A VITAL POSITIVE CONTRIBUTION TO THE U.S. BALANCE OF PAYMENTS.

OUR NATIONAL ECONOMY DEPENDS HEAVILY ON AGRICULTURAL TRADE -- THROUGH JOBS, WITH AN ESTIMATED 1 MILLION WORKERS ALREADY INVOLVED IN THE PRODUCTION AND MOVEMENT OF FARM COMMODITY EXPORTS; A HIGH LEVEL OF FARM PRODUCT EXPORTS MEANS FULL AND THEREFORE EFFICIENT AND ANTI-INFLATIONARY USE OF OUR AGRICULTURAL RESOURCES.

WE RECOGNIZE THAT THERE MUST BE RECIPROCITY IN THESE NEGOTIATIONS. WE ENTER THESE NEGOTIATIONS FULLY PREPARED TO LAY OF OUR AGRICULTURAL TRADE RESTRICTIONS ON THE NEGOTIATING TABLE. WE ASK OUR BARGAINING PARTNERS TO DO LIKEWISE. WE RECOGNIZE THE SOVEREIGN RIGHTS OF GOVERNMENTS OVER THEIR DOMESTIC FARM POLICIES. AGRICULTURAL POLICIES ARE RIGHTLY THE PREROGATIVE OF NATIONAL GOVERNMENTS TO DETERMINE. THEREFORE, WE WILL NOT USE THESE NEGOTIATIONS TO ATTACK THE INTERNAL AGRICULTURAL POLICIES OF OTHERS. EQUALLY WE EXPECT OTHERS WILL REFRAIN FROM

UNCLASSIFIED

PAGE 03 MTN GE 02083 01 OF 02 251639Z

ATTACKING OURS. AT THE SAME TIME DOMESTIC POLICIES MUST NOT BE USED TO OFFSET OR NULLIFY NEGOTIATED CONCESSIONS DEALING WITH TRADE RESTRICTIONS.

WE PLEDGE TO NEGOTIATE ON AGRICULTURAL TRADE MEASURES IN A MEANINGFUL WAS. WE INTEND TO GIVE SPECIAL ATTENTION TO THE INTERESTS OF THE DEVELOPING COUNTRIES AND THEIR ASPIRATIONS. IF ACHIEVED, TRADE LIBERALIZATION FOR

AGRICULTURE CAN HELP BUILD THE MORE DEPENDABLE

MARKETS WE ALL SEEK BY ASSURING PRODUCERS OF ACCESS TO
MARKETS AND IMPORTERS TO ACCESS TO SUPPLIES, NO MATTER
WHAT THE SUPPLY CONDITIONS IN A GIVEN YEAR.

THIS IS A COMMITMENT WE HAVE AFFIRMED REPEATEDLY IN
THE THREE AND ONE-HALF YEARS SINCE THIS ROUND OF
NEGOTIATIONS WAS FIRST PROPOSED. IT IS A COMMITMENT
WHICH THE CONGRESS OF THE UNITED STATES SAW FIT TO INCLUDE
EXPLICITLY IN SECTION 103 OF THE TRADE ACT OF 1974.
SECTION 103 CALLS FOR NEGOTIATIONS DEALING TO MORE OPEN
AND EQUITABLE MARKET ACCESS AND THE HARMONIZATION,
REDUCTION, AND ELIMINATION OF DEVICES WHICH DISTORT
TRADE FOR AGRICULTURE AND INDUSTRY ALIKE. WE ARE FURTHER
MANDATED BY THAT SECTION TO NEGOTIATE ON AGRICULTURAL
TRADE BARRIERS IN CONJUNCTION WITH INDUSTRIAL TRADE
BARRIERS TO THE MAXIMUM EXTENT FEASIBLE IN ORDER TO OBTAIN
OUR OBJECTIVES.

OUR OBJECTIVES ARE CONSONANT WITH THE AIMS OF THIS
ROUND OF NEGOTIATIONS AS EXPRESSED IN THE TOKYO DECLARATION,
WHICH STATED THAT THE AIM SHALL BE TO "ACHIEVE THE EXPANSION
AND EVER GREATER LIBERALIZATION OF WORLD TRADE... THROUGH
THE PROGRESSIVE DISMANTLING OF OBSTACLES TO TRADE AND
IMPROVEMENT OF THE INTERNATIONAL FRAMEWORK FOR THE CONDUCT
OF WORLD TRADE."

THUS WE BELIEVE AND HOPE THAT OUR FIRM COMMITMENT
TO NEGOTIATE A MORE OPEN AND DEPENDABLE TRADING SYSTEM
FOR WORLD AGRICULTURE IS SHARED BY ALL DELEGATIONS PRESENT
HERE TODAY. WE KNOW IT WILL TAKE COMPROMISES FOR US TO
EMERGE FROM THE MEETINGS THIS WEEK WITH A WORKABLE
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 MTN GE 02083 01 OF 02 251639Z

FRAMEWORK TO ACHIEVE THESE GOALS. WE ARE PREPARED TO
BE FLEXIBLE IF OTHER DELEGATIONS WILL NEGOTIATE IN THE
SAME SPIRIT.

AS YOU KNOW, THE UNITED STATES HAS SOME FIRM VIEWS
ABOUT THE BEST WAY TO PROCEED TOWARD ACHIEVEMENT OF THESE
OBJECTIVES. OUR VIEWS HAVE NOT ALWAYS BEEN FULLY SHARED
BY ALL OF OUR TRADING PARTNERS. PART OF THIS DIFFERENCE
OF VIEW MAY ARISE FROM A GENUINE DIFFERENCE BETWEEN US
AND SOME OTHER COUNTRIES AS TO WHAT THE PRIORITY OBJECTIVES
FOR AGRICULTURE IN THESE NEGOTIATIONS SHOULD BE. BUT
PART OF THIS DIFFERENCE HAS ARISEN ALSO BECAUSE OF
MISUNDERSTANDINGS ABOUT WHAT IT IS THE UNITED STATES IS
SEEKING TO ACCOMPLISH. WE BELIEVE THAT THESE MISUNDER-
STANDINGS CAN BE OVERCOME AND THAT THE DIFFERENCES IN VIEW

AS TO OUR PRIORITY OBJECTIVES, IF INDEED THERE ARE ANY,
CAN BE RECONCILED IN A MANNER WHICH WILL PERMIT MEANINGFUL
PROGRESS FOR AGRICULTURE IN THIS VERY IMPORTANT UNDERTAKING.

POSITION

OUR POSITION, VERY SIMPLY IS THIS. WE BELIEVE THAT
A FREER FLOW OF WORLD AGRICULTURAL TRADE IS ESSENTIAL IF
WE ARE TO ENCOURAGE PRODUCERS IN BOTH DEVELOPED AND
DEVELOPING COUNTRIES TO BRING ABOUT THE INCREASES IN

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 MTN GE 02083 02 OF 02 251728Z

46

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 SSO-00 INRE-00 USIE-00

AGR-10 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02

INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 STR-04 TAR-01 TRSE-00 PRS-01 SP-02

FEAE-00 OMB-01 OIC-02 AF-06 ARA-10 EA-10 NEA-09 /137 W

----- 091970

O R 251630Z MAR 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 0035

WHITE HOUSE IMMEDIATE

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AEMMBASSY LONDON 6512

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

UNCLAS SECTION 2 OF 2 MTN GENEVA 2083

PRODUCTION NEEDED TO FEED A GROWING WORLD POPULATION.

STABLE MARKET ACCESS IS IMPORTANT, BUT IT WILL NOT BE ENOUGH UNLESS THERE IS ACCESS AT ALL TIMES. THE MAIN OBSTACLES TO FREER TRADE ARE TARIFFS AND NONTARIFF BARRIERS. IN LARGE MEASURE THESE DO NOT DIFFER IN KIND FROM THOSE MEASURES WHICH RESTRICT THE FREE FLOW OF INDUSTRIAL TRADE. IT IS LOGICAL THEREFORE THAT AGRICULTURAL ISSUES SHOULD BE NEGOTIATED PRIMARILY, IF NOT ENTIRELY, IN THE TARIFF AND NONTARIFF MEASURES GROUPS.

WE ARE CURRENTLY AT A STAGE WHERE SUBSTANTIVE WORK
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MTN GE 02083 02 OF 02 251728Z

IN THESE OVERALL NEGOTIATING BODIES CAN GO FORWARD. ELEVEN INITIAL PROBLEM AREAS HAVE BEEN IDENTIFIED BY THE NTM GROUP, AND FOUR SUBGROUPS HAVE BEEN ESTABLISHED TO BEGIN WORK IN APRIL. THE PRINCIPAL TASK WITH REGARD TO TARIFFS IS TO DEVELOP A GENERAL TARIFF NEGOTIATING FORMULA WHICH WILL BE APPLIED TO BOTH AGRICULTURAL AND INDUSTRIAL PRODUCTS. WE RECOGNIZE THAT LATER ON SOME COUNTRIES MAY WISH TO EXCEPT CERTAIN ITEMS FROM THE APPLICATION OF THE GENERAL TARIFF AND NTM APPROACHES.

THE UNITED STATES BELIEVES THAT MEANINGFUL PROGRESS ON ALL PRODUCTS MUST GO FORWARD IN THE OVERALL TARIFF AND NONTARIFF MEASURE NEGOTIATIONS AND NONE SHOULD BE EXCLUDED FROM THE OUTSET.

WHILE WE ARE COMMITTED TO NEGOTIATIONS ON TARIFFS AND NONTARIFF BARRIERS COVERING BOTH INDUSTRIAL AND AGRICULTURAL PRODUCTS, WE ARE ALSO JOINED WITH OTHER MTN PARTICIPANTS IN A COMMITMENT TO "TAKE ACCOUNT OF SPECIAL CHARACTERISTICS AND PROBLEMS" AS REGARDS AGRICULTURE. WE FEEL THAT THE FUNCTION OF THE AGRICULTURE GROUP SHOULD BE TO IDENTIFY WHAT THESE SPECIAL PROBLEMS AND CHARACTERISTICS ARE SO AS TO COMPLEMENT AND SUPPORT THE WORK IN THE TARIFF AND NONTARIFF GROUPS.

ONE SPECIAL PROBLEM THAT COMES IMMEDIATELY TO MIND IS THAT OF SANITARY AND PHYTOSANITARY REGULATIONS. DURING THE PREPARATORY PHASE, TRADE PROBLEMS RELATED TO SANITARY AND PHYTOSANITARY STANDARDS WERE REVIEWED. THIS RESULTED IN AN EXCELLENT SECRETARIAT DOCUMENT.

AT THIS POINT THE AGRICULTURE GROUP SHOULD CONSIDER HOW BEST TO WORK WITH THE NTM GROUP IN THIS AREA. WE URGE THAT THIS BE DONE BY ARRANGING FOR EXPERTS FROM THE AGRICULTURE GROUP TO WORK JOINTLY WITH THE NTM STANDARDS SUBGROUP TO FIND SOLUTIONS WHICH WOULD COVER THE SPECIAL PROBLEMS RAISED FOR AGRICULTURE BY HEALTH AND SANITARY REGULATIONS. THESE EXPERTS FROM THE AGRICULTURE GROUP

COULD BE ASKED TO REPORT PROGRESS PERIODICALLY TO THE
AGRICULTURE GROUP ON THE RESULTS OF THEIR WORK IN CONJUNCTION
WITH THE STANDARDS SUBGROUP.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MTN GE 02083 02 OF 02 251728Z

IF OTHER DELEGATIONS WISH TO INVOLVE THE AGRICULTURE
GROUP IN WORK ON SUBSIDIES AND COUNTERVAILING DUTIES,
QUANTITATIVE RESTRICTIONS AND OTHER ISSUES BEING DEALT
WITH BY THE NTM GROUP, WE MOST SERIOUSLY AND STRONGLY
PROPOSE THAT THE SAME APPROACH BE TAKEN.

ANOTHER VERY SPECIAL PROBLEM WILL BE EXAMINING THE
USE OF VARIABLE LEVIES AS A BORDER MEASURE. HERE WE
SUGGEST THAT A SIMILAR JOINT APPROACH WOULD BE APPROPRIATE.

QUESTIONS HAVE BEEN RAISED AS TO WHETHER AND HOW THE
AGRICULTURE GROUP SHOULD TAKE UP GAINS AS ANOTHER
SPECIAL PROBLEM AREA IN THE MTN. WE REGARD WORLD FOOD
SECURITY AS THE MOST URGENT ISSUE CONNECTED WITH GRAINS
BECAUSE OF ITS INTERNATIONAL IMPORTANCE AND COMMITMENTS
MADE AT THE WORLD FOOD CONFERENCE. THERE IS ALSO THE
LIKELIHOOD THAT THE CROP SITUATION NEXT SUMMER WILL PRESENT
AN OPPORTUNITY TO START BUILDING RESERVES. MOST OF THE
IMPORTANT ELEMENTS NECESSARY FOR SUCH AN INTERNATIONALLY
AGREED SYSTEM OF GRAIN RESERVES ARE ALREADY APPARENT.
THE UNITED STATES CONSIDERS THAT THE MTN IS NOT AT THIS
TIME THE APPROPRIATE FORUM FOR THE DISCUSSION AND
NEGOTIATION OF A GRAIN RESERVES SYSTEM AS CALLED FOR AT
THE WORLD FOOD CONFERENCE. WE BELIEVE THIS CAN BEST BE
ACCOMPLISHED UNDER THE INTERNATIONAL WHEAT COUNCIL WHERE
ALL THE MAJOR GRAIN TRADING COUNTRIES PARTICIPATE.

WE FULLY RECOGNIZE THAT TRADE ISSUES IN GRAINS
TAKEN AS A WHOLE IS A LEGITIMATE SUBJECT FOR INCLUSION
IN THE MTN. SUCCESSFUL NEGOTIATION OF AN INTERNATIONAL
FOOD RESERVES SYSTEM WILL NOT IN ANY WAY PRECLUDE
NEGOTIATION OF THE LARGER GRAINS ISSUES IN THE MTN: ON
THE CONTRARY WE BELIEVE IT WILL FACILITATE SUCH A LARGER
NEGOTIATION.

WE THEREFORE PROPOSE THAT IF THE AGRICULTURE GROUP
WISHES, THERE BE A DISCUSSION OF GRAINS AT LENGTH
AT THIS MEETING, TAKING NOTE OF THE PROSPECT OF NEGOTIATIONS
ON FOOD GRAINS IN LONDON UNDER THE AUSPICES OF THE IWC,
WITH PARTICULAR REGARD TO THE QUESTION OF FOOD RESERVES;
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 MTN GE 02083 02 OF 02 251728Z

BUT THAT NO OTHER ACTION BE TAKEN AT THIS TIME.

WITH REGARD TO OTHER WORK, THE UNITED STATES BELIEVES THE PROCEDURES WE HAVE SUGGESTED ARE SUFFICIENT TO COVER ALL PRIORITY PROBLEMS INCLUDING PRODUCTS AND PRODUCT SECTORS. THEREFORE, WE BELIEVE IT IS PREMATURE FOR THIS GROUP TO DETERMINE WHAT OTHER SPECIFIC PRODUCTS WILL REQUIRE FURTHER STUDY AS SUGGESTED IN THE AGENDA FOR THIS MEETING.

I HOPE I HAVE CONVEYED A SENSE OF THE SPIRIT IN WHICH THE UNITED STATES APPROACHES THESE NEGOTIATIONS ON AGRICULTURE. FOR TOO MANY YEARS ALL OF US HAVE SEEN PROTECTIONISM IN AGRICULTURE INCREASE RATHER THAN DIMINISH AROUND THE WORLD. WE FAILED IN THE KENNEDY ROUND TO DO MUCH ABOUT THIS CREEPING ECONOMIC DISEASE. IF EACH OF OUR GOVERNMENTS SEEK ONLY TO "WIN" IN THESE NEGOTIATIONS THEN WE WILL FAIL AGAIN. LET US NOT STABILIZE THE STATUS QUO. INSTEAD, LET US KNOCK DOWN THE BARRICADES THAT HAVE BEEN ERECTED EVERYWHERE AGAINST THE FREE FLOW OF FOOD, FIBER AND OTHER FARM PRODUCTS. LET US REWARD EFFICIENCY WITH THE INCENTIVES OF OPEN MARKETS.

WE FULLY RECOGNIZE THIS WILL REQUIRE TIME AND MAJOR ADJUSTMENTS. LET US CHALLENGE ALL THE OLD CLICHES ABOUT AGRICULTURE AND LET SOME FRESH AIR INTO THE TRADING SYSTEM. THAT FRESH AIR WILL COME WITH LETTING EFFICIENT FARMERS WHEREVER THEY MAY BE COMPETE MORE FREELY. SOCIAL PROBLEMS IN AGRICULTURE SHOULD BE DEALT WITH BY INTERNAL SOCIAL MEASURES. GENERALIZED PRICE SUPPORT AND SEVERE BORDER PROTECTION MEASURES ONLY WIDEN THE INCOME GAP BETWEEN THE FARMER POORLY ENDOWED WITH RESOURCES AND THE MORE FORTUNATE FARMER.

WE FACE A TREMENDOUS CHALLENGE HERE. TIME IS RUNNING OUT. THE NEED ALSO TO STOP TREATING AGRICULTURE AS THOUGH THE ECONOMICS THAT APPLY TO ALL PRODUCTIVE ENDEAVORS OF MAN CAN SOMEHOW BE IGNORED WITH IMPUNITY.

LET US HAVE THE COURAGE AND WISDOM TO MEET THIS GREAT CHALLENGE. END QUOTE. WOLFF
UNCLASSIFIED

UNCLASSIFIED

PAGE 05 MTN GE 02083 02 OF 02 251728Z

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURE, TRADE, TARIFF BARRIERS, MEETINGS, SPEECHES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MTNGE02083
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750104-0168
From: MTN GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750318/aaaaaqay.tel
Line Count: 380
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 19 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 JUN 2003 by maginmm>; APPROVED <01 MAR 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MTN: OPENING SESSION AGRICULTURE GROUP MEETING MARCH 24 DEPARTMENT PASS STR AND AGRICULTURE
TAGS: ETRD, US, GATT, MTN
To: STATE WHITE HOUSE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006